

News and Information

From the Tennessee Division of Consumer Affairs

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**For Immediate Release
April 12, 2001**

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**Weekly Column by David McCollum, Director
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Volume 1, Issue 12**

Study Up on Scholarship Scams

That postcard in your mailbox guaranteeing scholarship money looks great doesn't it? Just when you were getting stressed about how you were going to pay tuition for yourself or your child, there it is, promising an answer to your prayers. Unfortunately, the person getting "pennies from heaven" is probably going to be the scam artist who sent you the card.

You may be tempted to send in your \$29.95 (or whatever they're charging) because of the money back guarantee, but if you give in, you'll discover that not all guarantees are created equal. The conditions of the guarantee aren't printed on the card, are they? There's a good reason for that. Many of them require that you document the scholarships for which you were rejected, but most scholarship foundations do not send rejection letters. You won't be able to meet the conditions of the guarantee, and you'll be grieving the loss of your dearly departed cash.

Other scam artists will tell you that you've already won a scholarship or received a student loan, but you have to pay fees or taxes to receive your funds. This is just one more way to separate you from what could be tuition money. Fees are not charged for legitimate scholarships, and the fees for legitimate student loans are deducted from the disbursement check.

Legitimate scholarship matching services can provide you with information on available scholarships and their eligibility requirements, but they never guarantee that you'll be awarded funds. Most of the information they offer, however, is available from other sources such as your high school guidance counselor or public library. You can also find a great deal of scholarship information on the internet. Exhaust these resources before you consider investing in a matching service. Even then, they may not find any information you haven't already discovered.

If you have questions or concerns regarding possible scholarship scams or other consumer issues, contact the Tennessee Division of Consumer Affairs at 1-800-342-8385 or visit www.state.tn.us/consumer.